

1 Q. -- you don't remember any -- their saying
2 to you on the call we're going ahead with our
3 participation or we're going to not -- not participate?

4 A. Well, I don't think they said that we're
5 going to go ahead with it. What I don't -- I don't
6 remember whether or not there would have been -- it
7 would have been there or a subsequent communication
8 where they would have said, you know, we're not going
9 to go forward.

10 Q. Did you have any subsequent communications
11 with them on that subject?

12 A. I don't think -- in terms of communicating
13 that message, I don't think so.

14 Q. Did -- are you aware if Mr. Tichenor or
15 anybody else at HBC had subsequent communications with
16 them on that subject?

17 A. Well, I think if -- I mean, they had to
18 communicate it at some point to us, and it either --
19 again, it either would have been in that call -- which
20 I -- I'm not quite sure, or they would have called
21 later and told us, I think.

22 Q. Did Mr. Amling and Mr. Marcus seem upset
23 at the prospect that they wouldn't be able to
24 participate in the SPS IPO?

25 A. It was -- they weren't very happy.

1 Q. Did they -- did they say anything to try
2 to persuade you that they should be allowed to
3 participate?

4 A. Yes.

5 Q. What did they say?

6 A. I think generally they thought that
7 covering the company would be good, you know, just
8 participating in all the -- they wanted -- you know, as
9 a company, as Alex Brown, they want to be in all the
10 radio deals, and they just feel like it would be good
11 for their firm to do that, so --

12 Q. And they would have made some money out of
13 that opportunity?

14 A. They would have made some money, uh-huh.

15 Q. And what did you -- did you respond to
16 their -- did either you or Mr. Tichenor respond to
17 their statement that they thought as an investment
18 banking firm it would be good for them to be involved
19 in all the radio deals?

20 A. No, I don't think we really responded to
21 that comment.

22 Q. Did **Mr.** Marcus talk in that call at all
23 about whether he would cover the -- the **SBS** stock on
24 issue?

25 A. When issued? No.

1 Q. Did you --

2 A. Let me think about that. No, I don't
3 think so.

4 Q. So you don't remember any -- any part of
5 that conversation involving whether or not Mr. Marcus
6 or anyone else at Alex Brown would issue research
7 reports on SBS stock?

8 A. I'm not -- can you ask it -- at that
9 conversation and at that time, I don't think that was a
10 topic of conversation.

11 Q. Did you -- did you discuss that topic
12 subsequently with Mr. Amling or Mr. Marcus or anyone
13 else at Alex Brown, that subject being the coverage of
14 SBS stock by Alex Brown in research?

15 A. Once they were --

16 Q. Once they were public?

17 A. Once they were public. I think that
18 conversation and just the general discussion of that
19 was really with Mac and Drew.

20 Q. So your -- so was there -- that subject
21 discussed at some later point in time between Drew
22 Marcus and Mac Tichenor, Jr.?

23 A. I think so.

24 Q. And were you a participant in those
25 discussions?

1 A. I was not.

2 Q. Did either Mac or Drew tell you what was
3 discussed?

4 A. I think generally the -- the issue was --
5 question was about covering the stock. And I think Mac
6 told him we would prefer that they not, and I think I'm
7 pretty sure on that. I think Mac can probably clarify
8 it a lot better than I. I'm pretty much secondhand
9 here.

10 Q. Do you know when that -- was that one
11 conversation or more than one conversation?

12 A. I don't know.

13 Q. Do you know when it occurred?

14 A. No.

15 Q. Was it after the SBS IPO occurred?

16 A. Oh, I think so. I think so, but really I
17 think Mac can shed some more light on that.

18 Q. Returning to the subject of the SBS IPO in
19 2000 -- in 1999 --

20 A. Uh-huh.

21 Q. -- did you have any conversations with
22 Randall Mays -- I asked you before if you had had
23 conversations with Lehman Brothers about their
24 participation in the SBS IPO, and you said no.

25 MR. CARLSON: Hold on. You said no.

1 That wasn't the question.

2 MR. DWYER: Let me start again.

3 MR. CARLSON: Yeah.

4 MR. DWYER: I'll withdraw that.

5 Q. I asked you before about whether you had
6 had communications with Lehman Brothers in the summer
7 of 1999 concerning their participation in the SBS IPO.

8 MR. CARLSON: Object to the form. I
9 thought the question was, did you learn from Lehman.

10 THE WITNESS: Yeah, I didn't get that
11 question from you.

12 Q. Okay. Okay. Well, then -- well, then,
13 thanks because then I need to ask that question.

14 Did you have any communications with
15 Lehman Brothers in the summer of 1999 concerning their
16 participation in a SBS IPO?

17 A. I did.

18 Q. With whom did you have those
19 conversations?

20 A. With -- I just went blank.

21 Q. Elizabeth Satin?

22 A. Thank you. Elizabeth Satin.

23 Q. Anyone else from Lehman?

24 A. About the IPO. I talked to Elizabeth.
25 She was our banking contact.

1 Q. When you say she was your banking contact,
2 what do you mean by that?

3 A. She was the investment banker on our
4 account.

5 Q. Had -- and she had participated in your
6 initial offering in February 1997?

7 A. Yes, and I think in '98, too.

8 Q. And Lehman Brothers had gotten fees
9 from -- investment banking fees from HBC prior to the
10 summer of 1999?

11 A. Yes.

12 Q. Can you approximate the amount of fees
13 that Lehman Brothers got?

14 A. Oh, gosh. These really aren't top of
15 mind. I'm sorry, Mr. Dwyer. I don't know. Do you
16 want to do a big range or --

17 Q. A range would be fine. More than a
18 dollar, less than 100 million. Right?

19 A. Okay.

20 Q. Okay. So --

21 A. That's probably pretty -- I'm safe on that
22 one.

23 Q. Can we narrow that range down a little?

24 A. Yeah. I'm trying.

25 Q. Okay.

8.)*

--

1 A. You know, probably in the million to 2
2 million range, but I'm really -- really guessing there.

3 Q. After the SBS IPO, has Lehman done any
4 work for HBC that would -- that generated fees?

5 A. No.

6 Q. What did you tell -- did you have a
7 face-to-face meeting with Elizabeth Satin or telephone
8 conversation or what in the summer of '99?

9 A. Telephone conversation.

10 Q. And was it just one conversation?

11 A. Yes.

12 Q. And were you in your office here?

13 A. In Dallas?

14 Q. In Dallas.

15 A. Yes.

16 Q. And you don't know where she was?

17 A. Oh, she was probably in her office.

18 Q. Did you place the call?

19 A. I did.

20 Q. And how long did the call last?

21 A. I don't know. Five minutes maybe. Less
22 than five. It wasn't a long conversation.

23 Q. And what did you say to her?

24 A. I said that I understand that Lehman
25 was -- was going to be, you know, doing a deal for SBS,

1 and I understood it, and that I also understood there
2 was an understanding that when they did the deal with
3 our company now, Heftel, that they would not do that,
4 and so there was -- you know, that's fine. You know,
5 it's your business, but we're not going to do business
6 together. And that was kind of the sum and substance
I of it.

8 Q. What did she say?

9 A. Not a whole lot, frankly.

10 Q. Did she say that they were involved in the
11 preparation for an SBS IPO?

12 A. Did had he say that to me?

13 Q. Yeah.

14 A. I don't know if she said that to me.

15 Q. She didn't tell you that, what are you
16 calling me about? We're not working on this?

17 A. I don't think she said that.

18 Q. She didn't deny that they were working on
19 an SBS IPO?

20 A. I don't think so.

21 Q. And was there -- did you know that they
22 were participating in -- why did you call them up? Why
23 did you call her up about the SBS IPO? I mean, did you
24 know that Lehman Brothers was involved in it?

25 A. Yes.

1 Q. How did you know that?

2 A. You know, I don't know how I first learned
3 it. It could have been through, you know, a couple of
4 people. It could have been Alex Brown. It could have
5 been someone else. It could have been just stuff that
6 comes out when -- you know, when someone's working on
7 something like this, I mean, you can pick it up a lot
8 of different places.

9 Q. Did you -- did you call Smith Barney,
10 Montgomery Securities or CS First Boston and ask them
11 if they were working on the SBS IPO?

12 A. I would expect during the course of time I
13 would have called them just to see if they were going
14 to do the deal.

15 Q. So you were -- you were generally calling
16 all the people that had worked on your deal to make
17 sure they weren't working on -- on the deal for SBS?

18 A. You know, I would have -- I expect I would
19 have called them to see what they were up to on it.

20 Q. Because you didn't want any of the five
21 who had worked on your underwriting to work on the SBS
22 IPO?

23 A. Well, I think if -- you know, if they had
24 that understanding, you know, I think the thought was
25 that didn't make a whole lot of sense.

1 Q. Why didn't you tell -- you said to
2 Elizabeth Satin you didn't want her to work on the
3 deal?

4 A. No, I did not say that.

5 Q. What did you say to her?

6 A. I said I understood they were going to be
7 doing a deal with them, and that's fine. We're not
8 going to -- but, you know, the idea was that you
9 wouldn't do that, and that's fine, but, you know, we're
10 just not going to do business with you.

11 Q. Did she discuss with you the possibility
12 of their withdrawing from the deal and -- and thereby
13 continuing to be able to do business with you?

14 A. No.

15 Q. That's a subject you discussed with
16 Mr. Amling? Yes?

17 A. Say that again.

18 Q. Well, didn't you discuss with Mr. Amling
19 that if they didn't do the deal, they could continue to
20 do business with you?

21 a. No, I think the way the conversation went
22 with **Alex** Brown is that if -- if you were to go forward
23 with the -- the IPO, you couldn't do business with us.
24 I think that's a little bit different than what you
25 said.

1 Q. Well --

2 A. But, please say it again so I can confirm.

3 Q. My question is -- my question is you had
4 these two calls, and in -- in -- one of them resulted
5 in Alex Brown not participating in the IPO. And as I
6 just heard you describe the conversation with Elizabeth
7 Satin, you -- you told her, I understand you're going
8 ahead with this, fine, but we can't do any business
9 anymore.

10 A. We're not going to do business with them.

11 Q. So my question is why -- did you think
12 about asking her to have Lehman withdraw from the IPO?

13 MR. CARLSON: Objection, repetitious.

14 A. I did not ask her to do it, and I mean,
15 they're the lead. I mean, they're a major player in
16 the deal. I just -- I don't know. I didn't say that.
17 I just said we're just not going to do business.

18 Q. How did you know they were the lead?

19 A. You know, I don't know how I learned of
20 that, whether I learned it in talking to Elizabeth or I
21 would have learned it from Alex Brown or from some
22 other source.

23 Q. Since you thought that Lehman and the
24 other four underwriters in the February '97 HBC deal
25 had made a commitment, why did you say to Elizabeth

1 Satin that it was okay, as opposed to saying to her, we
2 have a commitment, I intend to enforce that commitment?

3 A. Well, there's -- there's just -- our
4 relationship with Lehman just wasn't that strong. And,
5 I mean, they were one of our bankers, but in terms of
6 the -- the rankings and the overall, you know, who our
7 bankers were and where we were headed, it just -- it --
8 you know, it wasn't -- it just made more sense to say
9 what I said.

10 MR. DWYER: The videographer needs to
11 change the tape, so let's go off the record.

12 THE VIDEOGRAPHER: We're off the
13 record. It's 3:56. This is the end of tape 3.

14 (Break taken.)

15 THE VIDEOGRAPHER: We're back on the
16 record. It's 3:58. This is the beginning of tape
17 number 4.

18 Q. In the call with Elizabeth Satin, did you
19 discuss Mr. Alarcon at all?

20 A. **No.**

21 Q. Did you discuss anything involving drug
22 use or drug trafficking by anyone?

23 A. I did not.

24 Q. Did you write any notes or memos of this
25 call?

1 A. No.

2 Q. Did you tel anybody about the call?

3 A. I told Mac. I'm not sure f I told
4 anybody else.

5 Q. Did you tel Randall Mays?

6 A. I don't know. I might have relayed to
7 him, but -- I might have relayed to him.

8 Q. Did you tape-record the call?

9 A. No.

10 Q. Did you ever tape-record calls?

11 A. No.

12 Q. Did you have a -- any other conversations
13 with Elizabeth Satin or anyone else at Lehman about the
14 SPS IPO?

15 A. Since --

16 Q. Prior to -- prior to the November -- prior
17 to the effective date of the SBS IPO in November of
18 '99, did you have any conversations with Elizabeth
19 Satin **or** anyone else at Lehman about that IPO?

20 A. I think the -- the only -- I only had one
21 conversation with Elizabeth.

22 Q. Have you had any conversations with
23 Randall Mays in that period of time prior to the
24 November '99 SBS IPO about Raul Alarcon, **Jr.?**

25 A. Prior?

1 Q. Well, Mr. Anderson is trying to persuade
2 you that you should use them in the underwriting, and
3 then Mr. Sweeney will be -- will help sell your stock
4 by his analyst coverage?

5 A. Well, I think they were already in our
6 bank group. They were -- if we were contemplating an
7 offering, which we did, they would be in there.

8 Q. You can -- you can put that document
9 aside.

10 Did you -- did you learn at some point
11 that Tim Wallace was leaving Lehman Brothers in the
12 summer of 1999 to join the Bank of America?

13 A. Did I learn it?

14 Q. Yes.

15 A. Yes.

16 Q. And when did you learn that?

17 A. I don't know the exact date.

18 Q. Did you know Mr. Wallace was going to
19 leave Lehman before he left there?

20 A. You know, I'm not sure about that.

21 Q. Did you talk to anybody about Bank of
22 America -- about Mr. Wallace prior to his leaving
23 Lehman Brothers?

24 A. Start over. Did you --

25 Q. Did you -- did you have any

1 communications --

2 A. Uh-huh.

3 Q. -- with anyone from the Bank of America
4 about Mr. Wallace --

5 A. Uh-huh.

6 Q. -- prior to his leaving Lehman Brothers?

7 A. Yes.

8 Q. Who did you talk to?

9 A. I talked with -- a little background here.
10 Sometime in 1999, Bank of America, they own Montgomery
11 Securities. And there was a split in the firm, and Tom
12 Weisel, who was really -- he was either the founder or
13 the co-founder of Montgomery -- left with a group of
14 people and formed Thomas Weisel & Company; and one of
15 them was Gordon Hodge, who is an analyst we have a
16 relationship with.

17 And so at some point in the -- when that
18 was going on, I think the way it worked was Doug --
19 Doug Roper, who was our relationship manager -- and
20 what I mean by that, he -- Doug was in the media
21 banking group, and so he would have been the
22 coordinator of products -- financial products for B of
23 A, for us. We were one of his clients. We talked
24 about analysts and, you know, who do we think are good
25 and who do you think you can get and stuff like that

1 and who's -- what's the pros and cons and things like
2 that.

3 Q. Why was he talking to you about who they
4 would hire to be their analyst?

5 A. Because what -- it happens a lot -- is if
6 someone leaves, people usually call up their contacts
7 and say, well, who do you think's pretty good? So --

8 Q. So they called you up and asked who you
9 thought was good?

10 A. Uh-huh.

11 Q. Yes?

12 A. Yes. I'm sorry.

13 Q. And you told them Mr. Wallace was a good
14 analyst?

15 A. We actually pretty much probably went
16 through the whole list of analysts, talked about, you
17 know, what we thought of them and things like that.

18 Q. And Mr. Wallace was one of the people you
19 talked about?

20 A. Yes.

21 Q. And who else -- did you rate him highly?

22 A. I thought he was good, and he is a good
23 analyst.

24 Q. And you told them that?

25 A. Uh-huh.

1 Q. You need to say yes or --

2 A. I apologize. Yes.

3 Q. You can say other things, too, but I think
4 you were intending to say yes there. Right?

5 THE WITNESS: Do you want to -- just
6 to be clear, can you tell me what the question was?

7 (Requested material read.)

8 A. Uh-huh. Yes.

9 THE WITNESS: Can I get some water?

10 MR. DWYER: Yeah. Why don't we take
11 a break?

12 THE WITNESS: No, no. I mean, this
13 will just take a second. Let's keep going. I'm fine.

14 MR. CARLSON: Maybe we can finish
15 this topic and then --

16 MR. DWYER: Yeah. I'm about five
17 minutes from finishing this topic.

18 Q. Did you -- oh, I'm sorry.

19 THE WITNESS: Let me -- I'm back.

20 Q. Did you -- did you compare Mr. Wallace to
21 other analysts that you talked to E of A about?

22 A. I don't know exactly how -- but there had
23 to be at least some comparison and contrasting going on
24 in the conversation.

25 Q. And as you recall it, was he -- did you

1 speak favorably of him compared to some of the other
2 people you talked about?

3 A. I think the -- the way -- the way that the
4 conversation went -- because we went through so many.
5 When you have a -- excuse me -- you know, they all --
6 they all were just a little bit different. And so
7 remember that long answer I gave you where I talked
8 about the different guys and how they were tiered
9 and --

10 Q. Yes.

11 A. -- things like that?

12 That's kind of part of what I would do
13 with Doug. Or if someone else, another firm, was
14 looking for an analyst and they say who's coming up --
15 and it depends on what their criteria is. I mean, if
16 you're -- you know, if B of A was looking to spend an
17 absolute ton of money and money was no option, you go
18 for someone different. And if you don't have it but
19 you need someone to really come and help lead you, you
20 look at a different group. So, you know, that's -- so
21 it makes a difference on where you head with the
22 conversation and --

23 Q. In November of 1999, did Bank of America
24 participate in the underwriting group of an equity
25 offering for HBC?

1 A. Yes.

2 Q. Was that about a \$249 million offering?

3 A. Give or take.

4 Q. And had Bank of America participated in
5 any of HBC's prior equity offerings?

6 A. Yes.

7 Q. And when had it done that?

8 A. In February of '97 under the name of
9 Montgomery securities, and then in January of 1988 --
10 1998. I think it was still called -- well, you know,
11 they kind of changed it to -- somewhere in there it was
12 NationsBank Montgomery Securities, and then it became
13 about of A.

14 Q. So you're saying a predecessor firm of
15 Bank of America had participated in prior equity
16 offerings?

17 A. Uh-huh. Yes.

18 Q. But not under the name of Bank of America?

19 A. Yeah, they changed -- it's -- they changed
20 the name, but the group's -- it was the same basic
21 group. It was the Montgomery. I think the way it
22 went, Mr. Dwyer, was it was Montgomery, which was the
23 same as NationsBank, Montgomery Securities which turned
24 into B of A Securities.

25 Q. Who were the lead people who were involved

1 in the November of 1999 financing for Bank of America?

2 A. For Bank of America?

3 Q. Right.

4 A. Oh, the people involved.

5 Q. The people.

6 A. I couldn't think of what you were talking
7 about.

8 Give me a second. I apologize. I should
9 know. Tim was the analyst. I -- I want to say that
10 Doug might have been involved, but there may have been
11 someone else in the -- the old Montgomery group. I
12 can't remember if Nick Stevenson was still there or one
13 of their guys that actually goes in when you do an
14 offering, that actually goes out and does the -- does
15 the work. Doug, I think, was actually kind of doing
16 the work on that.

17 Q. So let me ask it a different way. Was --
18 was the research analyst involved in the November 1999
19 deal, the research analyst for Bank of America, and
20 that was Tim Wallace?

21 A. Yes.

22 Q. And he hadn't been involved for Montgomery
23 or NationsBank in their prior work for -- for HBC?

24 A. The -- the -- you're right. The research
25 analyst that was involved in those prior to offerings

1 was Gordon Hodge. And when he left to go with Weisel's
2 firm, then when Tim came on at B of A, he did the deal.

3 Q. Then I had the same question with respect
4 to the investment banking side. Was the Bank of
5 America investment banker who was involved in the
6 November 1999 equity offering for HBC a different
7 person -- the lead person a different person from the
8 person who had been involved in the '97 and '98 deals?

9 A. You know, I'm not -- not quite sure. And
10 the reason is usually at that level -- I mean, it's a
11 pretty junior person. I was thinking that maybe Nick
12 was part of it. He might have already left by that
13 time. I don't remember when he had left because he
14 eventually went to Weisel. The constant, you know,
15 throughout on the B of A relationship was Doug and then
16 the head of the group, Phyllis Riggans.

17 Q. So you don't -- right now you don't know
18 who --

19 A. Who actually kind of did some of the grunt
20 work on the deal?

21 Q. Right.

22 A. No.

23 Q. Do you know who the leaders were on the
24 November '99 deal?

25 A. The lead bank was --

1 Q. I'm focusing only on the lead within Bank
2 of America.

3 A. The lead person?

4 Q. Person, yeah.

5 A. You know, I don't -- I don't recall. It
6 could have been, as I said, Doug. It could have been
7 Nick or a combination on the deal.

8 Q. Have you -- have you ever talked to Bill
9 Meyers of Lehman and suggested to him that you didn't
10 want him to cover SBS stock?

11 A. No.

12 Q. Have you ever told Bill Meyers that if he
13 didn't cover -- if he covered SBS stock, you wouldn't
14 give him normal analyst access to HBC?

15 A. Not in those terms. I think that Bill and
16 I -- I've known Bill for some time. Let me just tell
17 you my recounting of this. He called me up and wanted
18 to cover the stock. And I said, well, you know, that's
19 great, but we're not really doing any business with
20 Lehman. Why do you want to do it? And he says, I want
21 to cover the stock. And I said -- you know, I thought,
22 does that really make sense? Why do you want to do it?
23 And he says I'm trying to cover a universe, and he's
24 still a young guy right at that time. He's really
25 turned into a quite a great analyst. So finally I just

1 said okay.

2 And I just -- I don't think that it was --
3 it wasn't important to me that Lehman cover the stock,
4 but it was important to Bill. And I've known Bill
5 since his days when he was a junior analyst at Smith
6 Barney, and he's since turned into a fine analyst with
7 some really great original research.

8 Q. Did you -- did you tell him that you
9 didn't want him to cover the HBC stock?

10 A. The HBC stock?

11 Q. Yeah.

12 A. I don't think I told him that we didn'
13 want to. I just didn't -- you know, I just -- you
14 know, I wasn't sure, you know, why he wanted to do it.
15 And -- but he told me, and that he -- you know, what he
16 was trying to do, so I said okay.

17 Q. Did you have any concerns that if you told
18 him things that you normally told analysts, he would
19 relay it to people at Lehman who would use it in
20 transactions they were doing for SBS?

21 A. You know, I think Bill is -- two things.
22 One is I don't tell Bill things that I'm particularly
23 worried about would get back. And I think that -- so I
24 don't think that's a -- that's a huge issue.

25 Q. Did you ever tell Bill things that you

1 want to get back to SBS?

2 A. I don't think so.

3 Q. If I could ask one question about Exhibit
4 39, then we'll take our break.

5 MR. DWYER: If the witness can be
6 handed Exhibit 39.

7 MR. CARLSON: Who is the hander? Am
8 I the hander?

9 MR. APODACA: This is in your copies.

10 MR. DWYER: Larry, I can just show
11 him my copy because it's just one -- it's just one
12 minor quest on. It's the Lehman Brothers -- it's Bill
13 Meyers Lehman Brothers report.

14 MR. CARLSON: Okay.

15 MR. DWYER: Can I just show him --

16 MR. CARLSON: Sure. That's all
17 right. That's fine.

18 Q. I just want -- this is a previously marked
19 Exhibit 39 Lehman Brothers equity report by Mr. Meyers
20 on corporate governance comparing broadcasters August
21 27, 2002. And the question I wanted to ask you is
22 he -- he reports on page 3 of that report that Hispanic
23 Broadcasting has three independent and four
24 nonindependent directors. It's in that chart down at
25 the bottom. Is that the -- does Hispanic Broadcasting

1 UNITED STATES DISTRICT COURT
 2 SOUTHERN DISTRICT OF FLORIDA
 3 MIAMI DIVISION
 4 SPANISH BROADCASTING)
 SYSTEM, INC.,)
 5 Plaintiff,)
 VS.) CASE NO.
 6) 02-21755-CIV
 CLEAR CHANNEL)
 7 COMMUNICATIONS, INC. and)
 HISPANIC BROADCASTING)
 8 CORPORATION,)
 Defendants.)

9 -----
 10
 11 VIDEOTAPED ORAL DEPOSITION OF
 12 JEFFREY T. HINSON, VOLUME 2
 13 JANUARY 24, 2003
 14

15 -----
 16 VIDEOTAPED ORAL DEPOSITION OF JEFFREY T. HINSON,
 17 produced as a witness, duly sworn by me at the instance
 18 of the PLAINTIFF, taken in the above styled and
 19 numbered cause on the 24th day of January, 2003, from
 20 9:05 a.m. to 5:43 p.m., before JULIE C. BRANDT,
 21 Certified Shorthand Reporter No. 4018 in and for the
 22 State of Texas, at Baker Botts, LLP, 2001 Ross Avenue,
 23 Dallas, Texas, pursuant to the Federal Rules of Civil
 24 Procedure.
 25

1 Okay.

2 Q. Do you see the --

3 MR. CARLSON: When you introduced
4 this document, did you say November? Did he say
5 November 17 and 18.

6 THE WITNESS: No. I think he said
7 January --

8 MR. CARLSON: January.

9 THE WITNESS: -- 17th and 18th.

10 MR. CARLSON: Okay. I apologize.

11 MR. DWYER: Just so the record's
12 clear, these e-mails are on January and 17th and 18th,
13 2001.

14 Q. Do you see the bottom e-mail on January
15 17th from you to Mr. Tichenor?

16 A. Yes.

17 Q. Did you send that to him?

18 A. Yes.

19 Q. See it says, subject Julio. Is that Julio
20 Rumbaut?

21 A. I would assume so.

22 Q. And then it says, have you spoken with
23 him? He keeps bugging me, and I do not have anything
24 to say to him. Do you see that?

25 A. Yes.

1 Q. What did you mean by "he keeps bugging
2 me"?

3 A. Well, he's calling me, and I'm not
4 returning his call.

5 Q. Over what period of time was Mr. Rumbaut
6 calling you?

7 A. Oh, I don't know. I would have to assume
8 that it was prior to January 17th.

9 Q. **Was** Mr. -- was it more than -- do you
10 think it was limited to the month of January, or had it
11 occurred --

12 A. Oh, gosh.

13 Q. -- prior to that?

14 A. I don't know.

15 Q. Was Mr. Rumbaut leaving you messages as to
16 why he wanted to talk to you?

17 A. I don't know.

18 Q. Do you have any --

19 A. **Just** -- I didn't have a lot of dealings
20 with him at the time, and I didn't have time for him,
21 and I would just as soon he talk to Mac.

22 Q. And then did you receive the e-mail from
23 Mr. Tichenor on January 18th at 1:29 a.m., re: Julio
24 that says, no, I have the same problem?

25 A. I see it.

1 Q. Do you remember receiving that?

2 A. I mean, I don't -- I don't remember
3 exactly. I'm sure I received it that day. And let's
4 see how quickly I turned this one around.

5 Q. About five hours later.

6 A. Right.

7 Q. You probably were sleeping --

8 A. Not at 3:30 in the morning, though.

9 Q. You probably were sleeping between 1:30 in
10 the morning and 6:30 in the morning. What -- but the
11 fact that you responded to that e-mail, would that
12 suggest to you that you received it from Mr. Tichenor?

13 A. Yes.

14 Q. Did you subsequently discuss with
15 Mr. Tichenor what HBC should do with respect to
16 Mr. Rumbaut?

17 A. I don't know how to answer that question.
18 What do you -- that's a -- what, any subject? I mean,
19 I just --

20 Q. Well, did you discuss with Mr. Tichenor
21 whether HBC should use Mr. Rumbaut as a consultant?

22 A. Oh. As a consultant for what?

23 Q. As a consultant for any subject.

24 A. Okay. We -- sometime in the -- my dates
25 are going to be bad on this, but sometime I think in

1 early '01 -- I think it was then -- Julio became a
2 consultant for the company.

3 Q. Let me -- just so we're not stumbling
4 about dates --

5 A. Thank you.

6 Q. -- let me mark a --

7 A. Do I need this anymore?

8 Q. No. You can put that aside.

9 MR. DWYER: I'm going to mark as
10 Exhibit 126 a document with production numbers HBC
11 53999 through 54001 that's headed consulting agreement,
12 April 14, 2001, between HBC and Rumbaut and Company.

13 (Exhibit No. 126 marked.)

14 A. We have to get bigger fonts. Golly.

15 Q. Do you recognize the handwriting on this
16 document on the first page?

17 A. I don't.

18 Q. Have you seen this document before?

19 A. This particular one?

20 Q. Yes.

21 A. I don't think so.

22 Q. Are you -- let me just take this piece by
23 piece. Did there come some point in time where HBC
24 entered into a consulting agreement with Julio Rumbaut
25 or his company?

1 before then, because it takes a while, I'm sure, for
2 them to get up and running. But clearly, you know,
3 when they went on the air, you know, it was over. I
4 think -- I think -- but having said that -- and Mac's
5 probably a better person -- yeah, I think it probably
6 was. There may have been some communication in May,
7 but probably just kind of wrap-up stuff and not -- not
8 anything substantive.

9 Q. You understood --

10 THE WITNESS: Can I get some water?

11 MR. CARLSON: You bet.

12 THE WITNESS: Thank you.

13 Q. You understood that the broadcasting in
14 Spanish on the church's station in L.A. was the
15 equivalent of the opening barrage of a cannon in a war?

16 A. It was -- we knew they were going to **come**
17 at us.

18 Q. And you were prepared to -- to defend and
19 fight back?

20 A. We were preparing to defend and fight
21 back, yes.

22 Are we done with this one?

23 Q. Oh, yes.

24 A. Okay.

25 THE WITNESS: Sorry about that.

1 MR. DWYER: I want to mark as Exhibit
2 133 a series of -- an e-mail of May 11, 2001, from Jeff
3 Hinson to Ali Shepherd and others with Bates numbers
4 HBC 40064 and 65.

5 (Exhibit No. 133 marked.)

6 A. I'm ready.

7 Q. Mr. Hinson, did you send the e-mail --
8 this e-mail on May 11, 2001 to the distribution list
9 that begins Ali Shepherd?

10 A. I did.

11 Q. And I don't really want to go through each
12 of those people individually, but is there -- is there
13 some -- do they represent a group of people?

14 A. These are general managers.

15 Q. Of HBC stations?

16 A. Of HBC stations.

17 Q. And is Ali Shepherd a general manager of a
18 station in San Francisco?

19 A. Yes.

20 Q. If you look at point 5, it says, Ali,
21 please note the affiliation agreement between Clear
22 Channel and SBS in San Francisco. Looks like you lost
23 a competitor.

24 What did you mean by looks "like you lost
25 a competitor"?

1 A. Well, if I remember this agreement between
2 SBS and Clear Channel, they entered an agreement, and I
3 think Clear Channel began leasing the station from SBS.
4 And so they took it out of a Spanish language format
5 and into an English format. So from a -- when you
6 think about Ali's station at the time, which was KSOL,
7 which is an Hispanic targeted station, that she lost a
8 direct format competitor when they made the move to do
9 that.

10 Q. And if you look up above that, number 2,
11 it says -- number 2 says, The KFSG asset purchase
12 agreement as amended highlights stations that might be
13 sold by the company in order to pay for KFSG. What did
14 you mean by that?

15 A. Well, I believe that the -- there was --
16 there must have been an amendment to the deal where
17 they actually laid out the radio stations that **SBS**
18 could sell.

19 Q. In order to come up with the money that
20 would pay the church for selling the station?

21 A. Yeah. And I don't quite recall how it
22 worked. But I think the way the deal was laid out, if
23 they sell them all, then I think they have to close or
24 they have to use all the proceeds to pay down the deal,
25 something like that. I think it was all of them, not

1 necessarily an individual one.

2 Q. But it was paying for the purchase price
3 of the station, not -- it wasn't paying for the -- the
4 LMA?

5 A. I think it had to do with the purchase of
6 the station. And I think -- I'm kind of fuzzy here --
7 it was tied to if they sold them all. I may be wrong
8 on that, but I think I'm right.

9 MR. DWYER: I want to mark -- you can
10 put that document aside. I want to mark as Exhibit
11 134, the May 15th, 2001 minutes of the HBC board of
12 directors.

13 (Off-the-record discussion.)

14 (Exhibit No. 134 marked.)

15 Q. Did you attend the May 15, 2001 HBC board
16 meeting?

17 A. Yes.

18 Q. Did you and Mr. Tichenor discuss with the
19 HBC board the intended response of HBC to the vigorous
20 competition of Spanish Broadcasting System in certain
21 key markets?

22 A. I don't know if we did or not. I think
23 what I'm reading here is we talked about the -- and
24 what's on here was -- we talked about our projected
25 results and cost control measures that were put into